

# HOUSE BILL REPORT

## HB 1590

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### As Reported By House Committee On:

Health Care

**Title:** An act relating to the definition of health plan.

**Brief Description:** Defining health plan.

**Sponsors:** Representatives Dyer and Backlund.

**Brief History:**

**Committee Activity:**

Health Care: 2/14/97 [DP].

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 9 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Skinner, Vice Chairman; Cody, Ranking Member; Conway; Parlette; Sherstad; Wood and Zellinsky.

**Staff:** Charlie Gavigan (786-7340).

**Background:** There are three primary types of health carrier: (1) a traditional health insurer that provides reimbursement for or payment of covered health services; (2) a health care service contractor, an association of providers that provide health care services; and (3) a health maintenance organization that provides health care services. Health carriers are regulated by the Office of the Insurance Commissioner (OIC).

Health carriers offering health plans must meet certain requirements, and the health plans themselves must also meet certain requirements. For instance, health carriers that offer any health plan must offer individuals or employers with 26-50 employees a plan equivalent to the services contained in the Basic Health Plan. Other health plans that may be offered to individuals and employers with 26 or more employees must include statutorily mandated benefits. Also, health plans for individuals and small employers (50 or fewer employees) are subject to adjusted community rating.

A health plan is defined as any policy, contract, or agreement offered by a health carrier to provide, arrange, reimburse, or pay for health care, except for: (1) long-term care insurance; (2) medicare supplements; (3) limited health care service contracts; (4) disability income insurance; (5) incidental property and casualty

insurance coverage; (6) workers' compensation coverage; (7) accident only insurance; (8) specified disease supplemental coverage; (9) employer-sponsored self-funded health plans; and (10) dental or vision only plans.

**Summary of Bill:** Plans deemed by the insurance commissioner to have a short-term or limited purpose, or to be student-only plans, are excluded from the definition of health plan.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.